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VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company;
Request for Approval to Sell Real Property
Docket No. 2017-____-E

Dear Ms. Boyd:

South Carolina Code Ann. § 58-27-1300 (2015) requires South Carolina Electric & Gas Company ("SCE&G" or "Company") to obtain approval from the Public Service Commission of South Carolina ("Commission") when the Company seeks to "sell, assign, transfer, lease, consolidate or merge its utility property" in excess of \$1,000,000. The purpose of this letter is to request approval from the Commission to sell certain real property owned by SCE&G with a fair market value in excess of \$1,000,000.

The real property that SCE&G wishes to sell consists of a parcel of land along with two office buildings. There is also third smaller building situated upon the land. The land is located in the City of Charleston and is bounded by Meeting Street and King Street; one office building fronts Meeting Street with a physical street address of 141 Meeting Street ("Meeting Street Office Building") and the other fronts King Street with a physical street address of 174 King Street ("King Street Office Building"). For the purpose of this request, the land and the three buildings are collectively referred to as the "SCE&G Property."

Enclosed with this letter as Attachment 1 is an aerial photograph depicting the location of the SCE&G Property on the Charleston peninsula. The SCE&G Property is outlined with a yellow border and consists of approximately one (1) acre of land. The Meeting Street Office Building contains approximately 14,400 square feet and once served as an SCE&G customer service payment center but ceased operations in 2015. See NDI-2015-13-EG. The King Street Office Building is about 3,200 square feet which SCE&G used as a general administrative office prior to the Company relocating its personnel to its general administrative offices in North Charleston. The third smaller building located on the property is approximately 280

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square feet and prior to its closure served as a drive-thru payment collection facility allowing the Company's customers to transact business without exiting their vehicle.

The SCE&G Property is classified on the books and records of SCE&G as utility property and as such, is included in the Company's rate bases for electric and natural gas operations as appropriate. In accordance with the FERC Uniform System of Accounts prescribed for public utilities, as adopted by the Commission, proceeds realized from this transaction related to the building will be recorded to depreciation reserves and any gain from this transaction related to the land will be recorded in Account 421.1000 entitled "Gain on Disposition of Property."

If the Commission grants the relief requested herein, then SCE&G, pursuant to the requirements of Order No. 92-931 issued in Docket No. 89-230-E/G, will publish a notice of availability in relevant local newspapers informing the public of the availability of the SCE&G Property ("Notice"). The Notice will contain a description of the property and state the length of time that the Company will receive bids to purchase the property. SCE&G has not yet determined the length of the bidding period that will be included in the Notice, but at a minimum and in compliance with Order No. 92-931, SCE&G will accept bids for thirty (30) days; it is possible, however, that SCE&G may set the bidding period for longer than thirty (30) days. After expiration of the open bid period, SCE&G will sell the property to the successful bidder.

The request for relief set forth herein will not involve a change to any of SCE&G's retail rates or prices, or require any change in any Commission rule, regulation or policy. Accordingly, neither notice to the public at-large, nor a hearing is required regarding this request.

By copy of this letter, we are also notifying counsel for the South Carolina Office of Regulatory Staff of the Company's request for approval to sell the SCE&G Property.

If you have any questions, please advise.

Very truly yours,



K. Chad Burgess

KCB/kms

Enclosure

cc: Dawn M. Hipp

Jeffrey M. Nelson, Esquire

(both via electronic mail and U.S. First Class mail w/enclosure)

